

## CHAPTER 11

### SECTION 2

## UNDERPAYMENTS

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### 1.0. CAUSES OF UNDERPAYMENTS

An underpayment adjustment may be required as a result of:

- 1.1. An incorrect or incomplete billing
- 1.2. An erroneous calculation of the allowable amount or inadequate information being submitted regarding complexities in a case.
- 1.3. Erroneous coding of services or supplies or inaccurate or incomplete description of the services or supplies provided.
- 1.4. Erroneous calculation of the cost-shares or application of excess deductible.
- 1.5. Reversal of a denial of payment for an authorized service or supply provided to an eligible beneficiary.
- 1.6. Retroactive eligibility determinations on previously denied claims.
- 1.7. Timely filing exceptions for previously denied items; or payment was not received by the correct payee because of such circumstances as issuance to an incorrect payee, incorrect address or payee moved without leaving a forwarding address or the check was cashed by other than the payee.

### 2.0. PROCEDURES FOR DISPOSITION OF UNDERPAYMENT CASES

#### 2.1. General

The correction of most underpayments is readily handled by determining the correction required, calculating the added amount, making appropriate changes to the Beneficiary History file, the Health Care Service Records (HCSRs) and issuing a check, if necessary, and a revised Explanation of Benefits (EOB). For correction of reports of non-receipt of payment, see below.

#### 2.2. Disposition Of Non-Receipt Of Payment Reports

If the contractor receives a report that a payee has not received payment, it shall determine if the check has been negotiated, voided, or stale-dated.

- 2.2.1. If payment was negotiated by other than the appropriate payee, and the report of non-receipt was received by the contractor within six years of the date the services or

supplies were provided, and it is a contractor at-risk case, the contractor shall reissue payment to the appropriate payee and handle the case as a possible forgery in accord with [Chapter 14](#).

2.2.2. If the check has not been negotiated the contractor shall take immediate steps to replace the check if more than 30 days have elapsed since the issue date.

2.2.3. If it is not a contractor issued check, refer the case to the contractor handling the case, or if there is no appropriate contractor, refer the case to Recoupments Division, TMA. Notify the sender of the action being taken, sending a copy of the notice with all available information to the contractor.

2.2.4. If the check is stale-dated, the contractor shall reissue the check to the appropriate payee, if notice of non-receipt was received within six years following the date of service or delivery of supply.

2.2.5. If the check has been returned as undeliverable and voided, reissue payment whenever new information; e.g., corrected address, is received which has the potential for leading to successful delivery. The reissue must be accomplished within six years from the date the services or supplies were provided.